

# Staff Summary Report



To: Mayor & City Council  
Through: City Manager

Agenda Item Number *Special Budget*  
Meeting Date June 20, 2002

**SUBJECT:** Resolution No. 2002.35 Adoption of Final 2002-2003 Budget

**PREPARED BY:** Rich Oesterle, Financial Services Manager (x8347)

**BRIEF:** A resolution to adopt the final estimates of the proposed FY 2002-2003 budget.

**COMMENTS:** **BUDGET FY 2002-2003 (0205-10-01) RESOLUTION NO. 2002.35** A resolution to determine final estimates of proposed expenditures by the City of Tempe for the fiscal year beginning July 1, 2002, and ending June 30, 2003, and to declare that such shall constitute a budget for the City of Tempe for said fiscal year.

**Document Name:** (20020620fsae01) Supporting Documents: Yes

**SUMMARY:** Resolution No. 2002.35 adopts the final budget for fiscal year 2002-2003. Since tentative adoption on June 6<sup>th</sup>, the attached schedules have been properly advertised pursuant to A.R.S. §42-17103.

Prior to final adoption of the budget at a "special meeting", the council must hold a public hearing where any taxpayer may appear and be heard for or against any proposed expenditure or tax levy pursuant to A.R.S. §42-17104 and §42-17107.

Resolution No. 2002.35 further sets a property tax public hearing for July 11<sup>th</sup> and sets an adoption date of August 8<sup>th</sup>. The proposed tax rate of \$1.35 per \$100 of assessed value is estimated to generate \$20,185,606, with a primary levy of \$7,288,511 and a secondary tax levy of \$12,897,095.

No changes have been made since the June 6<sup>th</sup> tentative adoption, therefore, the attached schedules are identical to those submitted at tentative adoption.

## **Recommendation**

It is recommended Council adopt Resolution 2002.35, adopting the final budget for fiscal year 2002-2003.

RESOLUTION NO. 2002.35

A RESOLUTION DETERMINING AND ADOPTING FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING JULY 1<sup>st</sup>, 2002, AND ENDING JUNE 30<sup>th</sup>, 2003, DECLARING THAT SUCH SHALL CONSTITUTE THE BUDGET FOR THE CITY OF TEMPE FOR SUCH FISCAL YEAR.

WHEREAS, in accordance with the provisions of Title 42, Sections 17101-17104 inclusive, Arizona Revised Statutes, the City Council did, on June 6, 2002, make an estimate of the amounts required to meet the public expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Tempe, Arizona, and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on June 20, 2002, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levy, and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the City Council set a property tax public hearing for July 11, 2002, and set an adoption date of August 8, 2002, to adopt the property tax rate, and

WHEREAS, the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Title 42, Section 17051, A.R.S., therefore be it

RESOLVED, that the said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced or changed by the same are hereby adopted as the budget of the City of Tempe, Arizona, for the fiscal year 2002-2003.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 20<sup>th</sup> day of June 2002.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Financial Services Manager

## Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund (1)	Adopted Budgeted Expenditures/ Expenses 2001-02*	Estimated Expenditures/ Expenses 2001-02**	Estimated Unreserved Fund Balance 7-1-2002**	Direct Property Tax Revenues 2002-03
General Fund	\$125,427,279	\$119,887,357	\$34,582,901	\$7,288,511
Special Revenue	42,484,564	41,354,037	54,522,432	
Debt Service	11,238,729	11,238,729	9,798,541	12,897,095
Capital Projects	85,541,430	47,134,511	4,780,688	
Enterprise	54,864,798	53,950,383	55,995,148	
<b>TOTAL</b>	<b>\$319,556,800</b>	<b>\$273,565,017</b>	<b>\$159,679,710</b>	<b>\$20,185,606</b>

Expenditure Limitation Comparison	2001-02	2002-03
1. Budgeted Expenditures/Expenses	\$319,556,800	\$328,164,979
2. Budgeted Expenditures/Expenses Adjusted for Reconciling Items		
3. Less: Estimated Exclusions	(162,610,918)	(170,178,822)
4. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation***	156,945,882	157,986,157
5. Expenditure Limitation	<b>\$156,945,882</b>	<b>\$157,986,157</b>

\* Includes Expenditure/Expense Adjustments Approved in 2001-02 Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\*FY 2002 Estimate from the Economic Estimates Commission and does not include Proposition 400.

(1) Due to the implementation of Governmental Accounting Standards Board Statement No. 34, which reclassified certain funds, comparison by fund type between fiscal years 2001-02 and 2002-03 may not be possible for some funds. Additional information may be obtained from the City of Tempe Financial Services Department.



## Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Budgeted Revenues Other than Property Taxes 2002-03	Proceeds From Other Financing Sources 2002-03	Interfund Transfers 2002-03		Total Financial Resources Available 2002-03	Budgeted Expenditures/ Expenses 2002-03
			In	(Out)		
General Fund	\$117,292,589	\$4,000,000	\$5,186,521	(\$5,486,521)	\$162,864,001	\$128,498,814
Special Revenue	62,128,552			(33,852,644)	82,798,340	39,841,045
Debt Service	635,156		4,000,000	(5,186,521)	22,144,271	11,518,082
Capital Projects		57,923,300	38,566,065		101,270,053	95,318,794
Enterprise	57,657,162		5,186,521	(8,413,421)	110,425,410	52,988,244
<b>TOTAL</b>	<b>\$237,713,459</b>	<b>\$61,923,300</b>	<b>\$52,939,107</b>	<b>(\$52,939,107)</b>	<b>\$479,502,075</b>	<b>\$328,164,979</b>



## Summary of Tax Levy and Tax Rate Information

	2001-02 Fiscal Year	Estimated 2002-03 Fiscal Year
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		<b>\$7,584,435</b>
2. Amount Received from Primary Property Taxation in the 2001-02 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))	\$0	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	6,956,983	7,288,511
B. Secondary Property Taxes	11,913,038	12,897,095
C. Total Property Tax Levy Amounts	<b>\$18,870,021</b>	<b>\$20,185,606</b>
4. Property Taxes Collected*		
A. Primary Property Taxes		
1. 2001-02 Levy	6,956,983	
2. Prior Years' Levies	0	
3. Total Primary Property Taxes	<b>\$6,956,983</b>	
B. Secondary Property Taxes		
1. 2001-02 Levy	11,913,038	
2. Prior Years' Levies	0	
3. Total Secondary Property Taxes	<b>\$11,913,038</b>	
C. Total Property Taxes Collected	<b>\$18,870,021</b>	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5320	0.5214
2. Secondary Property Tax Rate	0.8180	0.8286
3. Total City Tax Rate	<b>\$1.3500</b>	<b>\$1.3500</b>
B. Special District Tax Rates		
Secondary Property Tax Rates - As of the date the proposed budget was prepared, the city was operating -0- special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city.		

\* Includes actual property taxes collected as of the date of the proposed budget was prepared plus estimated property tax collected for the remainder of the fiscal year.

## Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2001-02	Estimated Revenues 2001-02*	Budgeted Revenues 2002-03
<b>GENERAL FUND</b>			
Local taxes			
City Sales Tax	\$ 66,744,000	\$ 59,736,700	\$ 61,011,600
Hotel Bed Tax	1,782,000	1,557,600	1,713,400
Franchise Taxes	1,695,600	1,695,600	1,913,319
Licenses and permits			
Business Licenses	1,149,800	1,149,800	1,087,150
Intergovernmental revenues			
State-Shared	29,219,000	28,745,400	29,674,000
County	5,959,000	5,000,000	5,050,000
Charges for services			
Total Charges for Service	7,080,600	6,163,300	6,087,900
Fines and forfeitures			
Total Fines and Forfeitures	4,321,400	4,191,000	4,216,200
Interest on investments			
Total Interest	5,307,000	6,500,000	4,400,000
Voluntary contributions			
SRP In-lieu Tax	416,700	416,700	395,900
Miscellaneous revenues			
All Miscellaneous	1,347,300	1,737,500	1,743,120
Total General Fund	125,022,400	116,893,600	117,292,589
<b>SPECIAL REVENUE FUNDS</b>			
Highway User Revenue Fund			
Intergovernmental	10,162,600	9,905,950	9,965,400
Maintenance of Effort/Other	-	-	1,850,000
Total Highway User Revenue Fund	10,162,600	9,905,950	11,815,400
Local Trans. Assistance Fund (LTAF)			
Intergovernmental	932,300	932,300	901,600
Lottery Transfer to Transit	(307,700)	(307,700)	(297,500)
Total LTAF	624,600	624,600	604,100

## Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2001-02	Revised Revenues 2001-02	Budgeted Revenues 2002-03
<b>Transit Fund</b>			
Transit Tax	29,193,000	25,895,400	26,465,100
Lottery Transfer In	307,700	307,700	297,500
ASU-Flash Transit	345,000	345,000	367,000
Interest Earned - Trust Invest.	2,242,000	2,900,000	2,300,000
Miscellaneous Revenue	2,943,100	2,943,100	5,086,000
Total Transit Fund	35,030,800	32,391,200	34,515,600
<b>Rio Salado Fund</b>			
City Sales Tax	611,600	660,200	639,000
Miscellaneous Revenue	438,700	369,600	544,200
Total Rio Salado Fund	1,050,300	1,029,800	1,183,200
<b>Performing Arts</b>			
Performing Arts Tax/Interest Income	5,604,000	5,289,100	5,396,000
Total Performing Arts Fund	5,604,000	5,289,100	5,396,000
<b>Community Dev. Block Grant (CDBG)</b>	2,637,600	2,637,600	2,687,608
<b>Section 8 Housing</b>	4,996,200	4,996,200	5,926,644
Total CDBG/Section 8	7,633,800	7,633,800	8,614,252
Total Special Revenue Funds	60,106,100	56,874,450	62,128,552
<b>DEBT SERVICE FUND</b>			
SRP In-Lieu Tax	654,800	654,800	635,156
Total Debt Service Fund	654,800	654,800	635,156
<b>ENTERPRISE FUNDS</b>			
Golf Fund	2,187,800	2,247,000	2,253,000
Water/Wastewater Fund	43,127,700	43,994,800	45,364,062
Sanitation Fund	10,460,300	9,888,988	10,040,100
Total Enterprise Funds	55,775,800	56,130,788	57,657,162
<b>TOTAL ALL FUNDS</b>	<b>\$ 241,559,100</b>	<b>\$ 230,553,638</b>	<b>\$ 237,713,459</b>

\* Includes actual revenues recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated revenues for the remainder of the fiscal year.



## Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources 2002-03	Interfund Transfers 2002-03	
		In	(Out)
GENERAL FUND		\$ 5,186,521	\$ (5,486,521)
GF - Transfers	\$ 4,000,000		
SPECIAL REVENUE FUNDS			
HURF/LTAF			(5,350,000)
Transit			(26,512,944)
Rio Salado			(1,989,700)
Total Special Revenue Funds	0	0	(33,852,644)
DEBT SERVICE FUND			
Total Debt Service Fund		4,000,000	(5,186,521)
CAPITAL PROJECTS FUNDS		38,566,065	
Bond/Note Proceeds	50,000,000		
CIP - Other Funding	7,923,300		
Total Capital Projects Funds	57,923,300	38,566,065	0
ENTERPRISE FUNDS			
Water/Wastewater Fund		5,186,521	(8,108,421)
Sanitation Fund			
Golf Fund		0	(305,000)
Total Enterprise Funds	0	5,186,521	(8,413,421)
<b>TOTAL ALL FUNDS</b>	<b>\$ 61,923,300</b>	<b>\$ 52,939,107</b>	<b>\$ (52,939,107)</b>



## Schedule E



## Summary by Department of Expenditures/Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses 2001-02	Expenditure/ Expense Adjustments Approved 2001-02	Estimated Expenditures/ Expenses 2001-02*	Budgeted Expenditures/ Expenses 2002-03
<b>GENERAL FUND</b>				
Mayor and Council	\$ 523,001	\$ (1,607)	\$ 521,394	\$ 530,772
City Manager	841,965	(65,886)	776,079	555,121
Community Relations	2,302,415	190,615	2,493,030	2,532,449
Internal Audit	512,796	(24,842)	487,954	530,287
City Clerk	717,900	(8,434)	709,466	467,326
City Court	3,167,436	(88,305)	3,079,131	3,151,248
Human Resources	3,730,221	97,796	3,828,017	3,607,526
City Attorney	2,521,196	32,253	2,553,449	2,492,332
Financial Services	5,227,487	(181,380)	5,046,107	5,130,562
Development Services	8,271,641	(1,006,921)	7,264,720	8,329,601
Police	43,851,476	(1,095,308)	42,756,168	45,140,592
Fire	14,854,413	(182,498)	14,671,915	15,194,192
Community Services	19,151,270	(558,467)	18,592,803	18,637,189
Public Works - General	12,901,126	(758,722)	12,142,404	13,535,598
Economic Development	560,087	(16,671)	543,416	622,002
Non-Departmental	3,597,440	-	3,597,440	5,551,135
Contingencies	2,695,409	(1,871,545)	823,864	2,490,882
Total General Fund	125,427,279	(5,539,922)	119,887,357	128,498,814
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue Fund				
Streets	8,135,751	(173,500)	7,962,251	8,040,436
Total HURF	8,135,751	(173,500)	7,962,251	8,040,436
Transit	25,044,850	(1,342,528)	23,702,322	21,546,248
CDBG	2,637,608	-	2,637,608	2,687,608
Section 8 Housing	4,996,216	424,266	5,420,482	5,926,644
Rio Salado	1,353,091	(38,765)	1,314,326	1,322,206
Performing Arts Center	317,048	-	317,048	317,903
Total Special Revenue Funds	42,484,564	(1,130,527)	41,354,037	39,841,045
<b>DEBT SERVICE FUND</b>				
Debt Service	11,238,729	-	11,238,729	11,518,082
Total Debt Service Fund	11,238,729	-	11,238,729	11,518,082
<b>CAPITAL PROJECTS FUNDS</b>				
All Capital Projects	85,541,430	(38,406,919)	47,134,511	95,318,794
Total Capital Projects Funds	85,541,430	(38,406,919)	47,134,511	95,318,794
<b>ENTERPRISE FUNDS</b>				
Water/Wastewater	42,021,240	(780,415)	41,240,825	40,332,402
Golf	2,327,698	(54,000)	2,273,698	2,485,184
Sanitation	10,515,860	(80,000)	10,435,860	10,170,658
Total Enterprise Funds	54,864,798	(914,415)	53,950,383	52,988,244
<b>TOTAL ALL FUNDS</b>	<b>\$ 319,556,800</b>	<b>\$ (45,991,783)</b>	<b>\$ 273,565,017</b>	<b>\$ 328,164,979</b>

\* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.